
Section II

Statewide Overview

Summary

	FY 2021 Enacted	FY 2021 Final	FY 2022 Recommended	FY 2022 Enacted
Expenditures by Function*				
General Government	\$ 3,418.2	\$ 4,828.7	\$ 2,081.3	\$ 2,755.7
Human Services	4,994.1	5,082.0	4,730.6	5,213.3
Education	2,947.6	2,957.5	2,855.6	3,627.3
Public Safety	648.7	659.8	622.0	643.3
Natural Resources	114.5	112.4	110.2	113.4
Transportation	607.3	684.5	770.7	767.9
Total	\$ 12,730.4	\$ 14,325.0	\$ 11,170.5	\$ 13,120.8
Expenditures by Category*				
Salaries and Benefits	\$ 1,871.3	\$ 1,881.4	\$ 1,833.8	\$ 1,903.4
Contracted Services	518.1	923.0	584.8	703.7
Subtotal	\$ 2,389.4	\$ 2,804.3	\$ 2,312.5	\$ 2,418.7
Other State Operations	1,507.9	1,233.9	1,066.4	1,126.8
Aid to Local Units of Government	1,669.2	1,671.0	1,661.3	2,211.4
Assistance, Grants, and Benefits	6,084.6	7,378.2	4,888.6	5,892.1
Capital	362.6	391.5	430.9	452.8
Capital Debt Service	266.2	265.9	252.7	252.7
Operating Transfers	450.6	580.1	452.0	577.9
Total	\$ 12,730.4	\$ 14,325.0	\$ 11,170.5	\$ 13,120.8
Sources of Funds*				
General Revenue	\$ 4,153.3	\$ 3,982.6	\$ 4,371.3	\$ 4,550.8
Federal Aid	5,812.9	7,538.6	4,129.5	5,862.7
Restricted Receipts	322.3	348.7	341.9	372.7
Other	2,442.0	2,455.0	2,327.8	2,334.6
Total	\$ 12,730.4	\$ 14,325.0	\$ 11,170.5	\$ 13,120.8
FTE Authorization	15,124.7	15,124.7	15,089.2	15,313.2

**Data in millions*

Summary

The Governor's budget recommendations for FY 2022 are contained in 2021-H 6122, introduced on March 11, 2021, which is the day it was due by law. That law was adjusted for FY 2022 only as part of the FY 2021 budget which did not become law until December 2020. Supporting documents required as part of that submission were made available with the introduction. The House Finance Committee recommended passage of 2021-H 6122, Substitute A on June 17 and the House passed 2021-H 6122, Substitute A, as amended, on June 24. The Senate passed it on July 1 and the Governor signed it on July 6.

The Governor recommended a total FY 2022 budget of \$11,170.5 million. Total expenditures decrease by \$1,560.0 million from the FY 2021 budget enacted by the 2020 Assembly, or 12.3 percent. His FY 2021 revised budget totals \$13,750.2 million; FY 2020 expenditures were \$11,017.7 million.

The proposed budget includes \$4,371.3 million of expenditures funded from general revenues, \$218.0 million, or 5.2 percent more than the enacted general revenue funded budget. This is also \$489.6 million more than his revised recommendation.

FY 2022	General				
	Revenue	Federal	Restricted	Other	All Funds
FY 2021 Enacted	\$ 4,153.3	\$ 5,812.9	\$ 322.3	\$ 2,442.0	\$ 12,730.4
Governor	4,371.3	4,129.5	341.9	2,327.8	11,170.5
Change to Enacted	\$ 218.0	\$ (1,683.4)	\$ 19.6	\$ (114.1)	\$ (1,560.0)
Percent Change	5.2%	-29.0%	6.1%	-4.7%	-12.3%
FY 2022 Enacted	\$ 4,550.8	\$ 5,862.7	\$ 372.7	\$ 2,334.6	\$ 13,120.8
Change to Enacted	397.5	49.8	50.4	(107.4)	390.4
Percent Change	9.6%	0.9%	15.6%	-4.4%	3.1%
Change to Governor	\$ 179.5	\$ 1,733.2	\$ 30.8	\$ 6.8	\$ 1,950.3
Change to FY 2021	\$ 568.2	\$ (1,675.9)	\$ 24.0	\$ (120.4)	\$ (1,204.2)
Percent Change to FY 2021	14.3%	-22.2%	6.9%	-4.9%	-8.4%

The Assembly adopted a budget with total expenditures of \$13,120.8 million, which is \$1,950.3 million more than the Governor recommended. The majority of this increase is federal funding from the Consolidated Appropriations and American Rescue Plan Acts. The adopted budget contains \$4,550.8 million from general revenues, which is \$179.5 million more than the Governor recommended.

When the FY 2021 budget became law in December, the House Fiscal Staff estimated an approximately \$440 million deficit to be solved in the FY 2022 budget due to be submitted in less than three months, based on then current federal law and related guidance. This was mostly related to extensive use of one-time funds in the FY 2021 budget. Federal activity since then significantly altered that outlook. Less than a week after the state budget became law, the federal government adopted its own budget along with a fifth stimulus package, signed on December 27. This included a one year extension of the use of the state's allocation of Coronavirus Relief funds. Additionally, there were administrative decisions regarding federal support on matching funds for Medicaid and Federal Emergency Management Agency reimbursements. There was also a retroactive provision to federal tax law on forgiven Paycheck Protection Program loans that was projected to have an over \$130 million negative impact on the consensus revenue estimate.

Other post-budget enactment issues identified include the results of the audited closing and second quarter report as well as unresolved issues regarding the consent decree on community based services to those with developmental disabilities, an accurate accounting of remaining Coronavirus Relief funds and newly awarded federal grants to replace general revenues budgeted for pandemic response expenses.

The Governor's FY 2022 budget proposed to resolve much of the deficit through use of newly approved federal funds and a revised estimate of available Coronavirus Relief funds. Increased revenues through changes to the hospital license fee and partial decoupling from federal treatment of forgiven Paycheck Protection Program loans also contributed to the proposed solution. While the budget did not contain any funding from the sixth stimulus package approved on the same day that the budget was submitted, it did have \$36.1 million in expenses from unidentified federal funds.

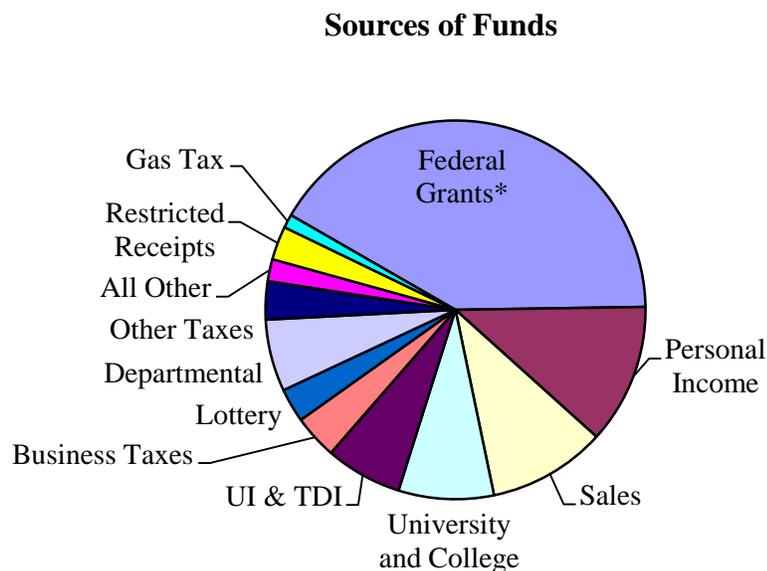
Following the May revenue and caseload conferences, available resources over the two-year period were increased by over \$400 million. There were also significant issues with funding for the operations at Eleanor Slater Hospital involving Medicaid billings that required additional funding in the current year. Other unresolved issues with the Governor's proposed restructuring plan which had accounted for nearly \$40 million in budget savings led the administration to put that on hold. Further progress in the state negotiations regarding its consent decree related to services to individuals with developmental disabilities required \$7.8 million more in state funds.

The Assembly used those resources to resolve the issues noted above and also to ensure that the Rhode Island Capital Plan fund repayment occurred in FY 2021 instead of the three-year timeframe the Governor proposed or the two-year window authorized in December. It declined to approve a significant increase in the FY 2021 Hospital License fee and lessened the FY 2022 proposal. The Assembly also narrowed the proposal to decouple from federal tax treatment of forgiven loans made through the Paycheck Protection Program reducing expected revenues by \$13.7 million. The Assembly used \$67.0 million to recapitalize the fund used for state technology improvement allowing for a new system for the Department of Children, Youth and Families as well as a multiyear overhaul of the state’s outdated payroll and financial management systems. A total of \$45.0 million was allocated to cover the costs of commitments already made under the Rebuild RI program and another \$20.0 million was used to recapitalize the Historic Preservation Tax Credit Trust Fund to reach more projects in an existing queue.

The Assembly also reserved \$39.0 million in the event the enhanced Medicaid match rate is not extended for the second quarter of FY 2022 as expected. Other new multiyear initiatives such as a pay for success pilot program for permanent supportive housing and a new statewide body worn camera program were funded in full at \$6.0 million and \$15.0 million, respectively. The Assembly also added \$25.0 million for a new Housing Production Fund in addition to authorizing a permanent funding source.

The Governor’s out-year budget gap projections reflected the high level of uncertainty and less favorable outlook than emerged in May. The Assembly preserved the full value of the American Rescue Plan Act stabilization funds for a more robust public process on the proposed uses. That should assist with addressing the budget gaps which were reduced by the other budget stabilizing measures noted above, as well as improved revenues.

The revenue sources for the enacted budget are shown in the following graph. They include a number of changes to current law, all of which are described in *Section VI, Special Reports: Revenues Changes*.



- *Federal funds* continue to be the single largest source, accounting for 41.4 percent of all revenues in FY 2022, excluding those federal funds supporting unemployment benefits and higher education stimulus grants. Adjusted expenditures from federal sources of \$5,376.7 million are \$281.8 million more than enacted for FY 2021, a 5.5 percent increase, and are from roughly 300 different federal programs.

Medicaid is the single largest source of federal funds. The budget includes \$2,204.6 million from Medicaid, 41.0 percent of all federal funds, and 17.0 percent of all revenues. Medicaid typically represents over half of all federal funds. This relative share declined in FY 2021 because of the unprecedented influx of federal pandemic relief. These funds were budgeted for expenditures along with estimates of Stafford Act funds administered by the Federal Emergency Management Agency in the FY 2020 budget and the FY 2021 final budget. Some spending of those funds does repeat for FY 2022, but there is also increased support for local education aid accounting for \$613.2 million of total federal funds. Other major federal support includes \$330.7 million of federal Highway funds and \$254.1 million for the Supplemental Nutrition Assistance Program.

The following table shows FY 2022 sources with items contributing to general revenues in bold type. It also shows the total percent it contributes to all funds and general revenues for each source.

All Sources	All Funds	Contribution	General Revenue	Contribution
Federal Grants*	\$ 5,376.7	41.4%	\$ -	0.0%
Personal Income	1,549.4	11.9%	1,549.4	35.1%
Sales	1,305.2	10.1%	1,305.2	29.6%
University and College	1,051.6	8.1%	-	0.0%
UI & TDI	847.9	6.5%	-	0.0%
Business Taxes	487.2	3.8%	487.2	11.0%
Lottery	375.9	2.9%	375.9	8.5%
Departmental	422.3	3.3%	422.3	9.6%
Other Taxes	244.2	1.9%	244.2	5.5%
All Other	798.3	6.1%	26.6	0.6%
Restricted Receipts	372.7	2.9%	-	0.0%
Gas Tax	149.5	1.2%	-	0.0%
Total	\$ 12,980.7	100%	\$ 4,410.7	100%

*Excludes federal funds in Employment Trust Fund and University & College Funds

- *Sales and Personal Income taxes* combine for 22.0 percent of all revenues in FY 2022 and 64.7 percent of all general revenues. Combined with federal funds, they total nearly two-thirds, 64.4 percent.
- *Personal Income taxes* of \$1,549.4 million are the second largest of all revenue sources and the largest source of general revenues. The FY 2022 estimate is \$99.0 million more than the FY 2021 enacted budget estimates, or 6.8 percent.
- *Sales tax* revenues of \$1,305.2 million are the second largest of general revenue sources. That amount is \$92.4 million more than enacted for FY 2021, or 7.6 percent.
- *University and College Funds* are \$1,051.6 million and 8.1 percent of all sources, including tuition, revenues from the operation of enterprise type activities such as residence and dining halls, sponsored research, the direct student loan program, and federal scholarship and grant funds like Pell grants. It also includes recent federal stabilization funds authorized in December and March. These increase \$82.8 million or 8.5 percent from the FY 2021 enacted estimates, primarily from the new federal aid, replacing a smaller level of one-time aid.
- *Employment Security and Temporary Disability Insurance* payments are estimated at \$847.9 million, which are \$497.6 million less than the levels estimated for the FY 2021 enacted budget which reflected extraordinarily high payments related to the pandemic's effect on the economy.

- *Business taxes* of \$487.2 million account for 3.8 percent of total revenues and 11.0 percent of general revenues for FY 2022. They would increase \$29.0 million or 6.3 percent from the FY 2021 enacted estimate. These include corporate income tax, public utilities gross earnings, the tax on banks, financial institutions, insurance companies and health care institutions.
- The *Lottery* is expected to contribute \$375.9 million, which is 2.9 percent of all revenues and 8.5 percent of general revenues.
- *Departmental Revenues* of \$422.3 million include \$170.2 million from the hospital licensing fee. Departmental revenues would be 3.3 percent of all revenues and 9.6 percent of general revenues.
- *Other taxes* include cigarettes, alcohol, inheritance, realty transfer, and racing and athletics. These total \$244.2 million in the FY 2022 budget and comprise 1.9 percent of all sources but 5.5 percent of general revenues.
- The *gas tax*, currently 34.5 cents per gallon, not including the one-half cent for the Underground Storage Tank Financial Responsibility Fund, is estimated to produce \$4.3 million from each cent in FY 2022 for a total of \$149.5 million.
- The remaining sources, estimated at \$1,171.0 million, constitute 9.0 percent of all FY 2022 sources and include sources dedicated to specific purposes such as lottery operations, transportation funds and restricted receipts as well as unclaimed property and miscellaneous other items.

General Revenue Sources

Less than half of the total funds collected or received from all sources are considered as general revenues, \$4,410.7 million, and 34.0 percent of all sources. They can be used for any legitimate purpose in contrast to federal funds, restricted receipts, and certain other sources that may only be used for specific purposes.

The Consensus Revenue Estimating Conference estimates the amount of general revenues annually in November and May. It is composed of the Budget Officer, the Senate Fiscal Advisor, and the House Fiscal Advisor who must achieve consensus on their forecast; votes are not taken. The estimates are to be based upon current law at the times of the conferences.

Available general revenues also include \$110.9 million of delayed reimbursements from the Federal Emergency Management Agency for expenses charged to general revenues. It also includes a balance forward from FY 2020 of \$156.2 million minus transfer of \$124.7 million to the Budget Stabilization and Cash Reserve Account, or “rainy day fund” to be used in case of emergency, and then only by legislative action. Three percent of the opening surplus plus all revenues must be deposited in the account. Any amounts used must be replaced in the following year.

The 2020 Assembly used \$120.0 million to close the projected FY 2020 deficit when it adopted the revised budget in late June. The FY 2021 budget repaid \$90.0 million of the amounts transferred and adjusted the law to allow for an additional year to make the repayment. The Governor’s budget proposed to extend the payback period an extra year shifting \$70.0 million of the repayment to FY 2023. The 2021 Assembly paid it in full as part of its revisions to the FY 2021 budget.

The account is limited; once the limit is reached, the excess revenues are transferred to the Rhode Island Capital Plan account, where they may be used to fund capital projects. The voters approved a constitutional amendment in 2006 to allow the capital account to be used solely for capital projects beginning in FY 2008 and to increase the Budget Stabilization and Cash Reserve Account to five percent and mandating that three percent of the opening surplus and all revenues must be deposited in the account by FY 2013.

FY 2022 Expenditures

Enacted expenditures of \$13,120.8 million are \$390.4 million more than enacted for FY 2021, or 3.1 percent. They can be divided into a functional classification of expenditures that aggregates agencies with like programs and purposes into the six functions used: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally offers a look at what they do or provide for.

The presentation of expenditure by function and category discussed on the next page reflects the data in the enacted budget. Comparisons by function and by category between years is complicated this year because of the large influx of federal COVID-related expenses and how they are budgeted.

Expenditures by Function

- The *Human Services* function includes all programs for medical assistance, supplemental security income, cash assistance, day care, elderly services, adjudicated youth, mental health, general health, developmental disabilities, children under the care and jurisdiction of the state, and the state's general hospitals. Expenditures of \$5,213.3 million are 39.7 percent of all expenditures and 37.9 percent of those funded from general revenues. These expenditures are \$219.2 million more than enacted for FY 2021 by the 2020 Assembly. Those funded from general revenues are \$109.9 million more.
- *Education* includes programs of elementary and secondary education, public higher education, scholarships and grants for all higher education, arts, and historical preservation and heritage. Education aid to local units of government represents 55.1 percent of total expenses, or \$1,996.9 million of the \$3,627.3 million. Education aid is discussed in detail in *Section VI* of this volume, *Special Reports: Education Aid*. Education expenditures comprise 27.6 percent of total expenditures, but 35.1 percent of general revenue funded ones. They increase by \$679.7 million from the enacted FY 2021 budget. Of that amount, \$539.8 million is from federal funds authorized under the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act to be directly distributed to districts. Those expenditures funded from general revenues increase by \$70.2 million.
- The budget includes \$643.3 million for *Public Safety* expenditures, \$5.5 million less than enacted for FY 2021. They comprise 4.9 percent of all expenditures and 11.3 percent of those funded from general revenues.
- *Natural Resources* programs would spend \$113.4 million, which is \$1.1 million less than enacted for FY 2021. They are 0.9 percent of total expenditures and 1.1 percent of those from general revenues.
- *Transportation* programs account for 5.9 percent of expenditures and include the state's highway and transit programs. Funding of \$767.9 million, none from general revenues, is \$160.5 million more than enacted for FY 2021.
- The remaining 21.0 percent of expenditures, \$2,755.7 million, are for the *General Government* programs. These include programs that support all other functions as well as general type activities. Examples of the former include the Ethics Commission and the Department of Administration. Examples of the latter include the general officers except the Attorney General, the Board of Elections, and the Department of Labor and Training.

Expenditures also include all of the state's debt service except that for higher education and the transportation Grant Anticipation Revenue Vehicle bonds. General Government expenditures are \$662.5 million or 169.7 percent less than the FY 2021 enacted budget. This significant change can be attributed to the decline in unemployment benefits and exclusion of other one-time spending related to the pandemic.

Expenditures by Category

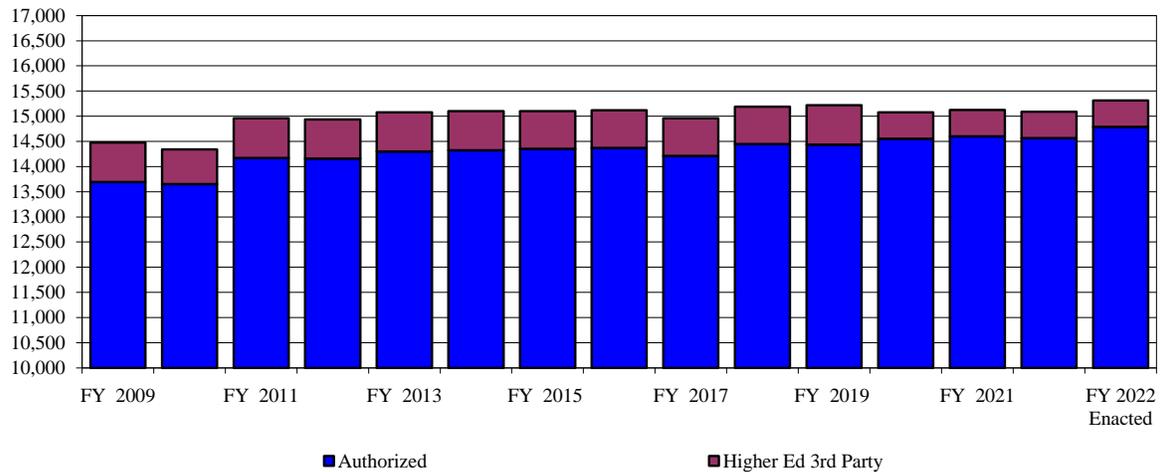
Expenditures are also aggregated and presented by accounting categories that designate what is purchased as opposed to the purpose of expenditures. The categories include: state operations; local aid; assistance, grants and benefits; capital; and operating transfers.

State Operations are the day-to-day expenses of state government. These expenditures include *personnel* and *other operating* expenditures. Personnel expenditures include *salaries and benefits* including fringe benefits, workers' compensation and unemployment compensation, and *contracted professional services*.

Other operating expenditures are the non-personnel day-to-day expenses of state government, including maintenance and non-fixed capital assets.

The budget includes \$1,903.4 million for total *salaries and benefits* for 15,313.2 full-time equivalent positions and *contracted services* expenditures of \$703.7 million. Salary and benefit expenditures are \$32.1 million more than the enacted budget. Contracted services expenditures would increase \$185.6 million. Salaries and benefits account for 14.5 percent of total expenditures and 22.8 percent of those funded from general revenues. Expenditures for contracted services account for 5.4 percent of the total budget and 2.1 percent of those funded from general revenues.

Full-Time Equivalent Positions



The total personnel expenditures are the costs associated with all positions in state service, excluding those funded through internal service accounts. These accounts are funded from operating charges to state agencies for overhead type services provided by the individuals funded from the accounts. These costs are treated in the budget as operating expenses; the personnel and operating costs in the internal service accounts are essentially off line to avoid double counting. The largest ones were converted to direct appropriations by the 2006 Assembly in the FY 2007 budget. The 2017 Assembly authorized internal service funds for centralized services including information technology, capital asset management and maintenance, and human resources. The Assembly concurred with the Governor's recommendation to have the FY 2018 revised and FY 2019 budgets reflect the establishment of these internal service funds. A total of \$81.5 million of FY 2018 expenses were converted from direct appropriations to internal service funds. Of that total, \$56.2 million was budgeted as salaries and benefits and is now shown as an operating expense.

The budget includes \$1,126.8 million for *other state operations*, which constitutes 8.6 percent of FY 2022 expenditures from all sources and 4.2 percent of those funded with general revenues. This is \$381.1 million less than enacted, \$81.4 million less from general revenues. This variance is related to one-time pandemic response expenses.

Assistance, Grants, and Benefits constitutes payments to individuals and nongovernmental agencies. These payments include Medicaid managed care programs including Rite Care, Rhody Health Partners and Rhody Health Options, and other medical assistance programs. They also include grants to environmental agencies, local law enforcement agencies, unemployment compensation, and temporary disability and workers' compensation. This is the largest category of expenditure.

EOHHS-Human Services Grants	All Funds				General Revenues			
	FY 2020 Actual	FY 2021 Final	FY 2022 Enacted	Change	FY 2020 Actual	FY 2021 Final	FY 2022 Enacted	Change
EOHHS/Human Services								
Managed Care	\$ 692.7	\$ 802.8	\$ 853.5	\$ 50.7	\$ 276.8	\$ 303.4	\$ 344.3	\$ 41.0
Long Term Care	426.6	416.6	451.5	34.9	181.2	166.6	190.7	24.1
Hospitals	189.2	196.5	215.1	18.6	87.6	78.1	94.8	16.6
Rhody Health Partners	260.0	288.8	298.8	10.0	116.7	116.3	127.1	10.8
Rhody Health Options	133.8	127.4	144.8	17.4	59.4	51.0	61.3	10.2
Expansion	487.3	665.9	746.2	80.3	42.9	71.4	80.0	8.6
Other	125.5	134.3	144.1	9.8	42.9	41.6	48.9	7.4
Pharmacy	62.4	58.0	69.2	11.2	64.2	58.1	69.1	11.1
COVID Relief Programs	16.2	27.5	-	(27.5)	-	-	-	-
Health System Transformation Project	28.2	37.5	27.5	(10.1)	-	-	-	-
Subtotal: Medical Assistance	\$2,421.9	\$2,755.3	\$2,950.7	\$ 195.4	\$ 871.6	\$ 886.4	\$1,016.2	\$ 129.8
Child Care	\$ 67.3	\$ 56.6	\$ 74.2	\$ 17.6	\$ 9.4	\$ 8.4	\$ 8.7	\$ 0.3
Rhode Island Works Program	21.7	14.7	20.9	6.2	-	-	-	-
SSI State Program	18.8	18.5	18.0	(0.5)	18.8	18.5	18.0	(0.5)
SSI/Bridge Program	0.8	0.7	0.8	0.0	0.8	0.7	0.8	0.0
Subtotal: Cash Assistance	\$ 108.5	\$ 90.5	\$ 113.7	\$ 23.3	\$ 29.0	\$ 27.6	\$ 27.4	\$ (0.2)
Supplemental Nutrition Assistance	\$ 282.0	\$ 282.0	\$ 254.0	\$ (28.0)	\$ -	\$ -	\$ -	\$ -
Low Income Heating and Energy Assistance Program (LIHEAP)	24.3	33.4	58.9	25.5	-	-	-	-
Community/Social Services Block Grants	7.7	12.5	10.1	(2.4)	2.2	2.2	2.4	-
HIV/AIDS Prevention	6.5	6.5	6.4	(0.1)	-	-	-	-
Veterans' Organizations	0.2	0.2	0.2	-	0.2	0.2	0.2	-
Subtotal: Other Assistance	\$ 320.7	\$ 334.6	\$ 329.6	\$ (5.0)	\$ 2.4	\$ 2.4	\$ 2.6	\$ -
DHS/Office of Healthy Aging								
Medical Assistance	\$ 6.1	\$ 5.8	\$ 10.4	\$ 4.6	\$ 2.6	\$ 2.3	\$ 4.4	\$ 2.1
COVID Relief Programs	1.0	3.2	3.4	0.2	-	-	-	-
Other Grants	8.0	10.3	11.2	0.8	2.1	2.2	2.4	0.1
Behavioral Healthcare, Developmental Disabilities and Hospitals								
Developmental Disabilities	\$ 247.6	\$ 260.8	\$ 295.0	\$ 34.2	\$ 107.8	\$ 101.1	\$ 125.2	\$ 24.1
Behavioral Healthcare Services	29.0	42.2	48.3	6.2	0.7	0.1	0.3	0.2
COVID Relief Programs	0.9	2.3	14.9	12.6	-	-	-	-
Children, Youth and Families								
Child Welfare	\$ 146.5	\$ 150.1	\$ 157.2	\$ 7.1	\$ 98.0	\$ 99.1	\$ 103.6	\$ 4.5
Children's Behavioral Health	10.3	8.6	9.6	1.0	4.3	3.3	3.7	0.4
Juvenile Corrections	1.5	2.4	1.6	(0.8)	1.4	2.3	1.6	(0.7)
COVID Relief Programs	0.9	0.2	1.0	0.8	-	-	-	-
Higher Education Incentive Grants	0.2	0.2	0.2	-	0.2	0.2	0.2	-
Health								
Women, Infants and Children	\$ 18.0	\$ 20.1	\$ 20.7	\$ 0.6	\$ -	\$ -	\$ -	\$ -
Maternal Infant & Early Childhood Home Visiting	7.8	8.2	8.2	(0.1)	-	-	0.7	0.7
COVID Relief Programs	1.8	8.5	10.9	2.4	2.0	0.7	-	(0.7)
HIV Surveillance & Prevention	0.5	0.6	0.7	0.1	-	-	-	-
Other Grants	13.4	16.7	21.2	4.4	0.9	0.9	0.9	-

\$ in millions

Local Aid, or Aid to Local Units of Government, is payments made to governmental units with taxing authority. It includes both aid to local governments designed to decrease property tax reliance and education aid. The budget includes \$2,211.4 million for *aid to local units of government* that includes

\$1,996.9 million in education aid and \$214.5 million in general state aid. These expenditures comprise 16.9 percent of total spending. However, they comprise 32.5 percent of general revenue funded ones.

Local aid expenditures from general revenues of \$1,480.6 million consist of \$1,269.3 million in education aid and \$211.3 million in general state aid. General revenue funded education aid increases by \$43.6 million; general aid is \$138.4 million more. Local aid is discussed in detail in *Section VI* of this volume, *Special Reports: State Aid to Local Governments* and *Special Reports: Education Aid*.

Capital expenditures have in the past included only direct pay capital improvements and debt service on financed capital improvements. Expenditures for direct pay are reflected in the years that the payments are made. Financed capital improvements are reflected as the annual debt service payments. Therefore, total capital expenditures for any year are not reflected in the budget. They are, however, presented annually in the capital budget as part of the Governor's budget.

Capital expenses total \$452.8 million, or 3.5 percent of all expenditures; debt service of \$252.7 million is 1.9 percent. Capital expenditures would be \$90.2 million more than enacted for FY 2021 and debt service \$13.4 million less. A comprehensive review of the capital budget is contained in *Section IV: Capital Budget*. However, they now include capital purchases that had formerly been included as capital outlays within state operations. The purpose may be to include all fixed assets above certain threshold values of cost and time. The budget does not present sufficient information to break the new items out from the old.

Operating Transfers are transfers between different funds and to component units of state government. They had been part of other categories in past budgets. Transfers to component units include transfers from general revenues to quasi-public agencies, such as the transfer to the Commerce Corporation. Recent budgets contained a significant increase in these related to limited-term investments via the Commerce Corporation.

They also represent transfers within state agencies from funds distinct from the General Fund. An example is transfers from the Department of Labor and Training to the three Rhode Island institutions of higher education. These transfers double count expenditures that appear elsewhere in this budget or in other state agencies. They total \$577.9 million and constitute 4.4 percent of the total budget. The general revenues portion is \$68.8 million, 1.5 percent of general revenue funded expenditures.

The previous table shows the major grants in human services. Assistance, grants, and benefits are \$5,892.1 million, 44.9 percent of all expenditures and 32.6 percent of those funded from general revenues. While these include employment security and temporary disability fund expenditures, human services medical assistance, food stamps, and cash assistance make up most of these expenditures. These expenditures are \$192.4 million less than the enacted budget considering all sources; significant increases related to unemployment insurance benefits in FY 2021 do not repeat in FY 2022. Those expenses from general revenues are \$185.2 million more.

General Revenue Surplus Statement

The Governor recommended an ending FY 2022 surplus of \$4.4 million, and an operating deficit of \$261.0 million reflecting use of the FY 2021 surplus. The Assembly adopted a FY 2022 budget with an ending surplus of \$0.6 million and an operating deficit of \$280.8 million reflecting use of the FY 2021 surplus.

	FY 2020	FY 2021	FY 2022
Opening Surplus			
Free Surplus	\$ 30,502,912	\$ 156,188,375	\$ 281,411,255
Reappropriated Surplus	10,296,451	5,336,653	-
Adjustment to Opening Surplus	-	(8,422,773)	-
Adjustment to Fund Balance	-	110,877,242	-
Subtotal	\$ 40,799,363	\$ 263,979,497	\$ 281,411,255
Revenues			
Actual/Enacted/Estimated	\$ 4,183,713,406	\$ 4,038,425,000	\$ 4,044,950,000
Governor	-	(39,086,736)	200,637,573
Assembly	-	218,717,342	165,148,774
Revenues	\$ 4,183,713,406	\$ 4,218,055,606	\$ 4,410,736,347
Cash Stabilization Fund	(126,426,490)	(130,974,636)	(140,764,428)
Total Available Resources	\$ 4,098,086,279	\$ 4,351,060,467	\$ 4,551,383,174
Expenditures			
Actual/Enacted/Estimated	\$ 3,936,561,251	\$ 4,153,269,709	\$ 4,534,731,558
Governor	-	(271,636,821)	(163,458,737)
Assembly	-	101,016,324	179,538,816
Total Expenditures	\$ 3,936,561,251	\$ 3,982,649,212	\$ 4,550,811,637
Total Surplus	\$ 161,525,028	\$ 368,411,255	\$ 571,537
Transfers: IT and HTC	-	(87,000,000)	-
Reappropriations	(5,336,653)	-	-
Free Surplus	\$ 156,188,375	\$ 281,411,255	\$ 571,537
<i>Operating Surplus/(Deficit)</i>	<i>131,022,116</i>	<i>109,768,411</i>	<i>(280,839,718)</i>
Budget Stabilization and Cash Reserve	\$ 90,710,816	\$ 218,712,199	\$ 234,607,380
Percent of Revenues	2.2%	5.2%	5.3%

The budget reserve and cash stabilization account, the “rainy day fund” would have ending balances of \$90.7 million in FY 2020, \$218.7 million in FY 2021, and \$234.6 million in FY 2022. The account receives 3.0 percent of general revenues plus free surplus annually.

Out-Year Forecasts

The out-years appear to remain unbalanced as projected expenditure growth continues to outpace revenue growth and the state recovers from the effects of the pandemic-induced economic downturn. The forecast included with the Governor’s budget estimated a \$374.4 million gap for FY 2023, declining somewhat to \$318.9 million in FY 2026. The FY 2023 gap includes the impact of the extensive use of one-time items in the resolution of the FY 2022 budget gap as well as growth in local aid based on the ongoing car tax phase-out and annualized savings and revenue initiatives. The forecast also assumes the impact of new proposals for spending including child care expenses. Some of that is offset by growth in newly proposed revenue and expenditure savings items for which only a partial year impact is assumed for FY 2021. It also assumed over \$50 million in annual savings from the reorganization of Eleanor Slater Hospital, the plan for which is currently on hold.

The Fiscal Staff's out-year forecast, while considerably lower than the Governor's, still shows a structural imbalance averaging about \$200 million annually. It assumes no policy solution that reduces state expenses at Eleanor Slater Hospital and that the \$39.0 million set aside in the event of an early end to the enhanced Medicaid match is not available for use in FY 2023. These both present opportunities to close the FY 2023 budget gap. These values also do not assume use of any of the \$1.1 billion in American Rescue Plan Act stabilization funds for general use over the next few years, which is an allowable use of these funds in accordance with revenue replacement guidelines.

	FY 2023	FY 2024	FY 2025	FY 2026
Opening Surplus	\$ 0.6	\$ -	\$ -	\$ -
Revenues	4,525.8	4,641.5	4,758.2	4,888.6
Cash Stabilization Fund	(135.8)	(139.2)	(142.7)	(146.7)
Useable Revenues	\$ 4,390.5	\$ 4,502.2	\$ 4,615.4	\$ 4,742.0
Expenditures	4,568.0	4,728.3	4,817.3	4,945.9
Total Surplus	\$ (177.4)	\$ (226.0)	\$ (201.9)	\$ (203.9)
Revenue Growth	6.6%	2.6%	2.5%	2.7%
Useable Revenue Growth	0.3%	2.5%	2.5%	2.7%
Expenditure Growth	4.5%	3.5%	1.9%	2.7%
Surplus Percent of Useable Revenues	-4.0%	-5.0%	-4.4%	-4.3%

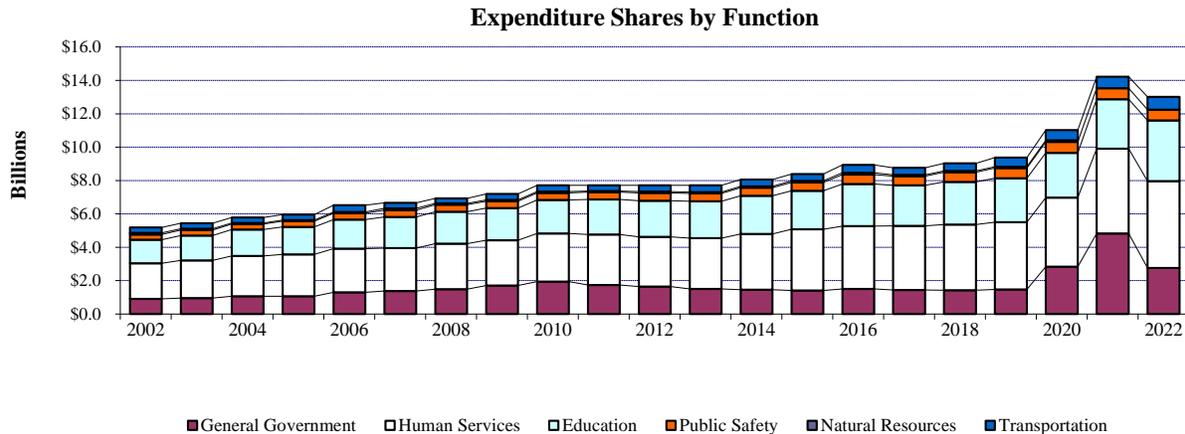
One of the largest contributors to the FY 2022 deficit that required solving was the use of one-time solutions in the FY 2021 enacted budget, including an expected \$255 million FY 2020 surplus. Other one-time expenditures from an enhanced Medicaid match and other limited federal funds exceeded \$200 million as well. Also contributing was the commitment to reimburse municipalities for phasing out car taxes.

One-time solutions are also featured in the resolution of the current budget gap and are the primary reason again for the FY 2023 out-year budget deficit. However, out-year projections are a function of both the assumptions made concerning revenues and expenditures and the structure of the budget. That is, the out-year projections are a function of assumed revenue and expenditure growth patterns for FY 2023 through FY 2026 and the FY 2022 budget itself. As noted above, significant new federal funds support for general use are not factored into the FY 2022 budget and will be available for the next few budgets. The economic data used for the Governor's budget is from the November consensus economic forecast. This had been revised from earlier projections and was revised again in May.

While deficits cannot constitutionally occur, they indicate the extent to which unresolved structural issues will carry through budgets, and to the extent that the problem in any given year is solved without addressing the underlying structural problem, the deficits amplify each year. Out-year deficits began increasing and reached a high of over \$535 million in Governor Carcieri's final budget.

Distribution of Total Expenditures

Expenditures can be aggregated many ways. In Rhode Island, we have tended to aggregate by *function* and by *category of expenditure*. The functional classification aggregates agencies with like programs and purposes into the six functions used: general government, human services, education, public safety, natural resources, and transportation. Viewing expenditures functionally offers a look at what they do or provide for. As noted previously, changes in budget presentation relative to internal service funds impact these comparisons as does the way federal COVID-related expenditures are budgeted.



General Government programs include the regulatory and administrative functions that support all other functions and all the general officers except the Attorney General, whose expenditures are classified under Public Safety.

Human Services includes all programs for medical assistance, supplemental security income, cash assistance, day care, elderly services, adjudicated youth, mental health, general health, developmental disabilities, children under the care and jurisdiction of the state, and the state’s general hospitals.

Education includes programs of elementary and secondary education, public higher education, arts, and historical preservation and heritage.

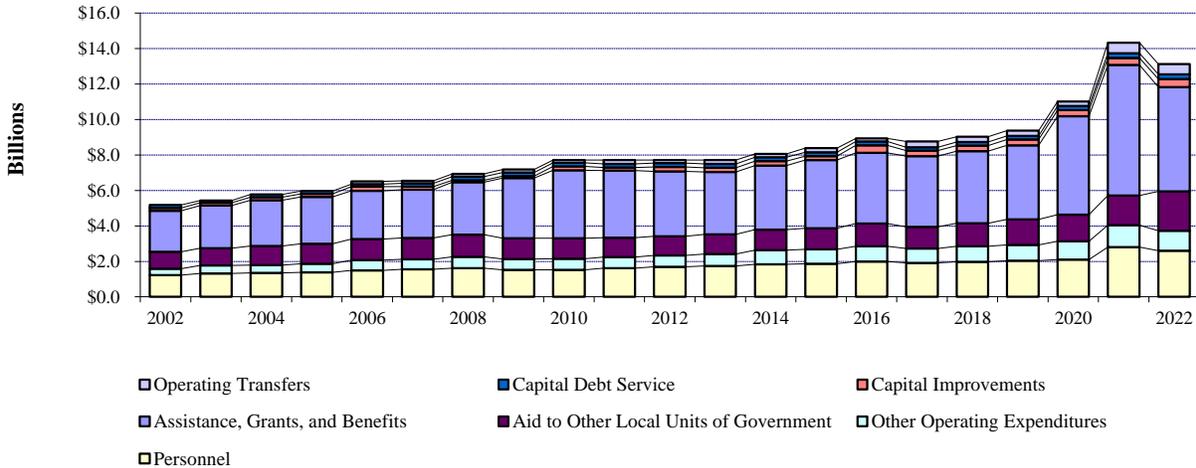
Public Safety includes the state’s law enforcement, adjudication, and penal programs.

The *Natural Resources* function includes the programs that protect the natural and physical resources of the state through regulation and planning and that provide safe recreational resources.

Transportation programs include all highway and transit programs, except airports, which are under the quasi-public Rhode Island Airport Corporation.

Expenditures are also aggregated and presented by accounting categories that designate what is purchased as opposed to the purpose of expenditures. The categories include: state operations; local aid; assistance, grants, and benefits; capital; and operating transfers. As noted previously, changes in budget presentation relative to internal service funds impact these comparisons.

Expenditure Shares by Category



State Operations are the day-to-day expenses of state government. These expenditures include *personnel* and *other operating* expenditures. *Personnel* expenditures include salaries and wages, fringe benefits, workers’ compensation and unemployment compensation, and consultant services. *Other operating* expenditures are the non-personnel day-to-day expenses of state government, including maintenance and non-fixed capital assets.

Local Aid, or *Aid to Local Units of Government*, is payments made to governmental units with taxing authority. It includes both aid to local governments designed to decrease property tax reliance and education aid.

Assistance, Grants, and Benefits constitutes payments to individuals and nongovernmental agencies. These payments include Medicaid managed care programs including Rlite Care, Rhody Health Partners and Rhody Health Options, and other medical assistance programs. They also include grants to environmental agencies, local law enforcement agencies, and unemployment compensation, temporary disability and workers’ compensation. This is the largest category of expenditure.

Capital expenditures include both direct pay *capital improvements* and *debt service* on financed capital improvements. Expenditures for direct pay are reflected in the years that the payments are made. Financed capital improvements are reflected as the annual debt service payments. Therefore, total capital expenditures for any year are not reflected in the budget.

However, the budget now includes capital purchases that had formerly been included as capital outlay within state operations as part of capital. The purpose may be to include all fixed assets above certain threshold values of cost and time. The budget does not present sufficient information to break the new items out from the old.

Operating Transfers are transfers between different funds and to component units of state government. They had been part of other categories in past budgets. Transfers to component units include transfers to quasi-public agencies, such as the transfer to the Commerce Corporation. There are also instances where these expenses are already represented elsewhere in the budget thus double-counting the expenditure.

Staff has reviewed the Governor’s recommended changes to the enacted budget for each agency and department, and compared them to the changes requested by those agencies and departments. The Assembly action on each item is also noted. The agencies and departments are arranged by function.

Distribution Tables

The distribution tables on the following pages array expenditures by function and category. Expenditures by function are read down the table while expenditures by category are read across. All expenditures are expressed in millions of dollars. The percentages shown in the table represent the percent of the total shown in each cell.

Expenditures from All Funds

FY 2020 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 218.1 2.0%	\$ 398.6 3.6%	\$ 574.1 5.2%	\$ 442.6 4.0%	\$ 54.9 0.5%	\$ 72.1 0.7%	\$ 1,760.5 16.0%
Contracted Services	36.9 0.3%	147.7 1.3%	70.5 0.6%	21.9 0.2%	6.8 0.1%	57.2 0.5%	341.0 3.1%
Other State Operations	368.3 3.3%	215.1 2.0%	216.2 2.0%	130.4 1.2%	15.6 0.1%	85.0 0.8%	1,030.7 9.4%
Aid to Local Units of Government	161.3 1.5%	- 0.0%	1,341.8 12.2%	0.1 0.0%	- 0.0%	- 0.0%	1,503.3 13.6%
Assistance, Grants, & Benefits	1,797.0 16.3%	3,371.7 30.6%	347.0 3.1%	27.2 0.2%	5.0 0.0%	9.9 0.1%	5,557.7 50.4%
Capital	28.9 0.3%	3.0 0.0%	52.2 0.5%	44.9 0.4%	7.6 0.1%	205.2 1.9%	341.9 3.1%
Debt Service	160.3 1.5%	- 0.0%	72.1 0.7%	2.0 0.0%	- 0.0%	0.3 0.0%	234.7 2.1%
Operating Transfers	61.2 0.6%	7.0 0.1%	0.9 0.0%	- 0.0%	- 0.0%	179.0 1.6%	248.0 2.3%
Total	\$ 2,832.1 25.7%	\$ 4,143.0 37.6%	\$ 2,674.8 24.3%	\$ 669.2 6.1%	\$ 89.9 0.8%	\$ 608.7 5.5%	\$ 11,017.7 100.0%

FY 2021 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 242.1 1.9%	\$ 407.6 3.2%	\$ 624.9 4.9%	\$ 452.2 3.6%	\$ 56.1 0.4%	\$ 88.5 0.7%	\$ 1,871.3 14.7%
Contracted Services	46.5 0.4%	256.6 2.0%	131.5 1.0%	24.3 0.2%	7.7 0.1%	51.4 0.4%	518.1 4.1%
Other State Operations	609.4 4.8%	446.0 3.5%	263.2 2.1%	117.5 0.9%	20.0 0.2%	51.9 0.4%	1,507.9 11.8%
Aid to Local Units of Government	210.4 1.7%	- 0.0%	1,458.7 11.5%	- 0.0%	- 0.0%	- 0.0%	1,669.2 13.1%
Assistance, Grants, & Benefits	1,799.7 14.1%	3,858.7 30.3%	376.2 3.0%	26.1 0.2%	7.4 0.1%	16.5 0.1%	6,084.6 47.8%
Capital	31.7 0.2%	7.2 0.1%	20.0 0.2%	28.7 0.2%	23.3 0.2%	251.7 2.0%	362.6 2.8%
Debt Service	193.9 1.5%	- 0.0%	71.9 0.6%	- 0.0%	- 0.0%	0.3 0.0%	266.2 2.1%
Operating Transfers	284.5 2.2%	17.9 0.1%	1.1 0.0%	- 0.0%	0.1 0.0%	147.0 1.2%	450.6 3.5%
Total	\$ 3,418.2 26.9%	\$ 4,994.1 39.2%	\$ 2,947.6 23.2%	\$ 648.7 5.1%	\$ 114.5 0.9%	\$ 607.3 4.8%	\$ 12,730.4 100.0%

Expenditures from All Funds

FY 2022 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 235.4 2.1%	\$ 377.2 3.4%	\$ 618.9 5.5%	\$ 448.5 4.0%	\$ 58.8 0.5%	\$ 95.1 0.9%	\$ 1,833.8 16.4%
Contracted Services	71.8 0.6%	323.2 2.9%	89.4 0.8%	25.1 0.2%	8.7 0.1%	66.6 0.6%	584.8 5.2%
Other State Operations	524.7 4.7%	149.6 1.3%	217.1 1.9%	87.0 0.8%	19.0 0.2%	69.0 0.6%	1,066.4 9.5%
Aid to Local Units of Government	212.9 1.9%	- 0.0%	1,448.3 13.0%	- 0.0%	- 0.0%	- 0.0%	1,661.3 14.9%
Assistance, Grants, & Benefits	595.6 5.3%	3,862.9 34.6%	372.3 3.3%	34.0 0.3%	6.9 0.1%	16.9 0.2%	4,888.6 43.8%
Capital	39.3 0.4%	5.1 0.0%	35.6 0.3%	27.4 0.2%	16.8 0.2%	306.8 2.7%	430.9 3.9%
Debt Service	184.6 1.7%	- 0.0%	67.8 0.6%	- 0.0%	- 0.0%	0.3 0.0%	252.7 2.3%
Operating Transfers	217.0 1.9%	12.7 0.1%	6.2 0.1%	- 0.0%	0.0 0.0%	216.1 1.9%	452.0 4.0%
Total	\$ 2,081.3 18.6%	\$ 4,730.6 42.3%	\$ 2,855.6 25.6%	\$ 622.0 5.6%	\$ 110.2 1.0%	\$ 770.7 6.9%	\$ 11,170.5 100.0%

FY 2022 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ (6.7) 0.4%	\$ (30.5) 2.0%	\$ (6.0) 0.4%	\$ (3.7) 0.2%	\$ 2.7 -0.2%	\$ 6.6 -0.4%	\$ (37.5) 2.4%
Contracted Services	25.3 -1.6%	66.6 -4.3%	(42.1) 2.7%	0.8 -0.1%	0.9 -0.1%	15.1 -1.0%	66.7 -4.3%
Other State Operations	(84.7) 5.4%	(296.4) 19.0%	(46.1) 3.0%	(30.6) 2.0%	(0.9) 0.1%	17.1 -1.1%	(441.5) 28.3%
Aid to Local Units of Government	2.5 -0.2%	- 0.0%	(10.4) 0.7%	- 0.0%	- 0.0%	- 0.0%	(7.9) 0.5%
Assistance, Grants, & Benefits	(1,204.2) 77.2%	4.2 -0.3%	(3.9) 0.3%	7.9 -0.5%	(0.4) 0.0%	0.4 0.0%	(1,196.0) 76.7%
Capital	7.6 -0.5%	(2.2) 0.1%	15.6 -1.0%	(1.3) 0.1%	(6.5) 0.4%	55.1 -3.5%	68.2 -4.4%
Debt Service	(9.3) 0.6%	- 0.0%	(4.2) 0.3%	- 0.0%	- 0.0%	- 0.0%	(13.4) 0.9%
Operating Transfers	(67.5) 4.3%	(5.2) 0.3%	5.1 -0.3%	- 0.0%	(0.0) 0.0%	69.1 -4.4%	1.4 -0.1%
Total	\$ (1,336.9) 85.7%	\$ (263.4) 16.9%	\$ (92.0) 5.9%	\$ (26.8) 1.7%	\$ (4.3) 0.3%	\$ 163.3 -10.5%	\$ (1,560.0) 100.0%

Expenditures from All Funds

FY 2022 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 244.1 <i>1.9%</i>	\$ 437.1 <i>3.3%</i>	\$ 622.6 <i>4.7%</i>	\$ 447.6 <i>3.4%</i>	\$ 58.2 <i>0.4%</i>	\$ 93.7 <i>0.7%</i>	\$ 1,903.4 <i>14.5%</i>
Contracted Services	74.4 <i>0.6%</i>	369.5 <i>2.8%</i>	156.6 <i>1.2%</i>	26.4 <i>0.2%</i>	8.7 <i>0.1%</i>	68.1 <i>0.5%</i>	703.7 <i>5.4%</i>
Other State Operations	522.7 <i>4.0%</i>	204.0 <i>1.6%</i>	224.4 <i>1.7%</i>	89.7 <i>0.7%</i>	18.8 <i>0.1%</i>	67.3 <i>0.5%</i>	1,126.8 <i>8.6%</i>
Aid to Local Units of Government	214.5 <i>1.6%</i>	- <i>0.0%</i>	1,996.9 <i>15.2%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	2,211.4 <i>16.9%</i>
Assistance, Grants, & Benefits	1,120.3 <i>8.5%</i>	4,183.7 <i>31.9%</i>	515.1 <i>3.9%</i>	49.4 <i>0.4%</i>	6.9 <i>0.1%</i>	16.9 <i>0.1%</i>	5,892.1 <i>44.9%</i>
Capital	50.7 <i>0.4%</i>	6.5 <i>0.0%</i>	37.8 <i>0.3%</i>	30.2 <i>0.2%</i>	20.8 <i>0.2%</i>	306.8 <i>2.3%</i>	452.8 <i>3.5%</i>
Debt Service	184.6 <i>1.4%</i>	- <i>0.0%</i>	67.8 <i>0.5%</i>	- <i>0.0%</i>	- <i>0.0%</i>	0.3 <i>0.0%</i>	252.7 <i>1.9%</i>
Operating Transfers	344.3 <i>2.6%</i>	12.5 <i>0.1%</i>	6.2 <i>0.0%</i>	- <i>0.0%</i>	0.0 <i>0.0%</i>	214.9 <i>1.6%</i>	577.9 <i>4.4%</i>
Total	\$ 2,755.7 <i>21.0%</i>	\$ 5,213.3 <i>39.7%</i>	\$ 3,627.3 <i>27.6%</i>	\$ 643.3 <i>4.9%</i>	\$ 113.4 <i>0.9%</i>	\$ 767.9 <i>5.9%</i>	\$ 13,120.8 <i>100.0%</i>

FY 2022 Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 2.1 <i>0.5%</i>	\$ 29.5 <i>7.6%</i>	\$ (2.3) <i>-0.6%</i>	\$ (4.5) <i>-1.2%</i>	\$ 2.1 <i>0.5%</i>	\$ 5.2 <i>1.3%</i>	\$ 32.1 <i>8.2%</i>
Contracted Services	27.9 <i>7.1%</i>	112.9 <i>28.9%</i>	25.1 <i>6.4%</i>	2.1 <i>0.5%</i>	0.9 <i>0.2%</i>	16.6 <i>4.3%</i>	185.6 <i>47.5%</i>
Other State Operations	(86.6) <i>-22.2%</i>	(242.0) <i>-62.0%</i>	(38.8) <i>-9.9%</i>	(27.8) <i>-7.1%</i>	(1.2) <i>-0.3%</i>	15.4 <i>3.9%</i>	(381.1) <i>-97.6%</i>
Aid to Local Units of Government	4.1 <i>1.0%</i>	- <i>0.0%</i>	538.2 <i>137.9%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	542.3 <i>138.9%</i>
Assistance, Grants, & Benefits	(679.4) <i>-174.1%</i>	324.9 <i>83.2%</i>	138.9 <i>35.6%</i>	23.3 <i>6.0%</i>	(0.4) <i>-0.1%</i>	0.4 <i>0.1%</i>	(192.4) <i>-49.3%</i>
Capital	19.0 <i>4.9%</i>	(0.8) <i>-0.2%</i>	17.8 <i>4.6%</i>	1.5 <i>0.4%</i>	(2.5) <i>-0.7%</i>	55.1 <i>14.1%</i>	90.2 <i>23.1%</i>
Debt Service	(9.3) <i>-2.4%</i>	- <i>0.0%</i>	(4.2) <i>-1.1%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	(13.4) <i>-3.4%</i>
Operating Transfers	59.8 <i>15.3%</i>	(5.4) <i>-1.4%</i>	5.1 <i>1.3%</i>	- <i>0.0%</i>	(0.0) <i>0.0%</i>	67.9 <i>17.4%</i>	127.3 <i>32.6%</i>
Total	\$ (662.5) <i>-169.7%</i>	\$ 219.2 <i>56.2%</i>	\$ 679.7 <i>174.1%</i>	\$ (5.5) <i>-1.4%</i>	\$ (1.1) <i>-0.3%</i>	\$ 160.5 <i>41.1%</i>	\$ 390.4 <i>100.0%</i>

Expenditures from General Revenues

FY 2020 Reported	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 131.5 3.3%	\$ 204.2 5.2%	\$ 155.1 3.9%	\$ 334.3 8.5%	\$ 33.4 0.8%	\$ - 0.0%	\$ 858.4 21.8%
Contracted Services	7.3 0.2%	31.5 0.8%	13.7 0.3%	12.4 0.3%	0.8 0.0%	- 0.0%	65.7 1.7%
Other State Operations	63.2 1.6%	65.8 1.7%	32.5 0.8%	113.8 2.9%	10.3 0.3%	- 0.0%	285.7 7.3%
Aid to Local Units of Government	160.4 4.1%	- 0.0%	1,141.4 29.0%	- 0.0%	- 0.0%	- 0.0%	1,301.8 33.1%
Assistance, Grants, & Benefits	14.6 0.4%	1,133.2 28.8%	45.0 1.1%	11.3 0.3%	1.0 0.0%	- 0.0%	1,205.2 30.6%
Capital	2.1 0.1%	0.6 0.0%	0.2 0.0%	6.2 0.2%	0.1 0.0%	- 0.0%	9.2 0.2%
Debt Service	124.2 3.2%	- 0.0%	43.0 1.1%	- 0.0%	- 0.0%	- 0.0%	167.2 4.2%
Operating Transfers	39.6 1.0%	3.7 0.1%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	43.4 1.1%
Total	\$ 543.1 13.8%	\$ 1,439.0 36.6%	\$ 1,430.8 36.3%	\$ 478.0 12.1%	\$ 45.7 1.2%	\$ - 0.0%	\$ 3,936.6 100.0%

FY 2021 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 139.3 3.4%	\$ 212.5 5.1%	\$ 172.0 4.1%	\$ 293.4 7.1%	\$ 33.6 0.8%	\$ - 0.0%	\$ 850.9 20.5%
Contracted Services	11.7 0.3%	61.4 1.5%	12.5 0.3%	17.3 0.4%	0.5 0.0%	- 0.0%	103.3 2.5%
Other State Operations	63.4 1.5%	124.0 3.0%	18.8 0.5%	57.8 1.4%	10.5 0.3%	- 0.0%	274.5 6.6%
Aid to Local Units of Government	72.9 1.8%	- 0.0%	1,225.8 29.5%	- 0.0%	- 0.0%	- 0.0%	1,298.7 31.3%
Assistance, Grants, & Benefits	15.0 0.4%	1,215.2 29.3%	56.0 1.3%	12.6 0.3%	0.7 0.0%	- 0.0%	1,299.4 31.3%
Capital	1.9 0.0%	0.8 0.0%	0.4 0.0%	1.3 0.0%	0.0 0.0%	- 0.0%	4.4 0.1%
Debt Service	156.0 3.8%	- 0.0%	39.7 1.0%	- 0.0%	- 0.0%	- 0.0%	195.8 4.7%
Operating Transfers	126.3 3.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	126.3 3.0%
Total	\$ 586.5 14.1%	\$ 1,613.9 38.9%	\$ 1,525.1 36.7%	\$ 382.4 9.2%	\$ 45.4 1.1%	\$ - 0.0%	\$ 4,153.3 100.0%

Expenditures from General Revenues

FY 2022 Recommended	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 139.7 <i>3.2%</i>	\$ 224.6 <i>5.1%</i>	\$ 173.8 <i>4.0%</i>	\$ 409.8 <i>9.4%</i>	\$ 37.4 <i>0.9%</i>	\$ - <i>0.0%</i>	\$ 985.3 <i>22.5%</i>
Contracted Services	13.8 <i>0.3%</i>	49.7 <i>1.1%</i>	14.4 <i>0.3%</i>	15.7 <i>0.4%</i>	0.6 <i>0.0%</i>	- <i>0.0%</i>	94.1 <i>2.2%</i>
Other State Operations	51.9 <i>1.2%</i>	44.2 <i>1.0%</i>	28.7 <i>0.7%</i>	56.4 <i>1.3%</i>	10.4 <i>0.2%</i>	- <i>0.0%</i>	191.5 <i>4.4%</i>
Aid to Local Units of Government	211.3 <i>4.8%</i>	- <i>0.0%</i>	1,268.1 <i>29.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	1,479.4 <i>33.8%</i>
Assistance, Grants, & Benefits	17.9 <i>0.4%</i>	1,267.0 <i>29.0%</i>	53.3 <i>1.2%</i>	12.5 <i>0.3%</i>	0.9 <i>0.0%</i>	- <i>0.0%</i>	1,351.5 <i>30.9%</i>
Capital	1.8 <i>0.0%</i>	0.9 <i>0.0%</i>	0.5 <i>0.0%</i>	1.9 <i>0.0%</i>	0.3 <i>0.0%</i>	- <i>0.0%</i>	5.4 <i>0.1%</i>
Debt Service	145.4 <i>3.3%</i>	- <i>0.0%</i>	38.1 <i>0.9%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	183.6 <i>4.2%</i>
Operating Transfers	80.5 <i>1.8%</i>	- <i>7.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	80.5 <i>1.8%</i>
Total	\$ 662.2 <i>15.2%</i>	\$ 1,586.3 <i>36.3%</i>	\$ 1,576.9 <i>36.1%</i>	\$ 496.3 <i>11.4%</i>	\$ 49.5 <i>1.1%</i>	\$ - <i>0.0%</i>	\$ 4,371.3 <i>100.0%</i>

FY 2022 Recommended Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 0.4 <i>0.2%</i>	\$ 12.0 <i>5.5%</i>	\$ 1.9 <i>0.8%</i>	\$ 116.4 <i>53.4%</i>	\$ 3.7 <i>1.7%</i>	\$ - <i>0.0%</i>	\$ 134.4 <i>61.7%</i>
Contracted Services	2.0 <i>0.9%</i>	(11.7) <i>-5.4%</i>	1.9 <i>0.9%</i>	(1.6) <i>-0.7%</i>	0.1 <i>0.0%</i>	- <i>0.0%</i>	(9.2) <i>-4.2%</i>
Other State Operations	(11.5) <i>-5.3%</i>	(79.8) <i>-36.6%</i>	9.9 <i>4.5%</i>	(1.4) <i>-0.7%</i>	(0.2) <i>-0.1%</i>	- <i>0.0%</i>	(83.0) <i>-38.1%</i>
Aid to Local Units of Government	138.4 <i>63.5%</i>	- <i>0.0%</i>	42.3 <i>19.4%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	180.7 <i>82.9%</i>
Assistance, Grants, & Benefits	2.9 <i>1.3%</i>	51.8 <i>23.8%</i>	(2.7) <i>-1.2%</i>	(0.1) <i>0.0%</i>	0.2 <i>0.1%</i>	- <i>0.0%</i>	52.1 <i>23.9%</i>
Capital	(0.1) <i>0.0%</i>	0.1 <i>0.1%</i>	0.1 <i>0.0%</i>	0.5 <i>0.2%</i>	0.3 <i>0.1%</i>	- <i>0.0%</i>	0.9 <i>0.4%</i>
Debt Service	(10.6) <i>-4.9%</i>	- <i>0.0%</i>	(1.6) <i>-0.7%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	(12.2) <i>-5.6%</i>
Operating Transfers	(45.7) <i>-21.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	- <i>0.0%</i>	(45.7) <i>-21.0%</i>
Total	\$ 75.7 <i>34.7%</i>	\$ (27.6) <i>-12.7%</i>	\$ 51.8 <i>23.8%</i>	\$ 113.9 <i>52.2%</i>	\$ 4.1 <i>1.9%</i>	\$ - <i>0.0%</i>	\$ 218.0 <i>100.0%</i>

Expenditures from General Revenues

FY 2022 Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 145.8 3.2%	\$ 268.7 5.9%	\$ 177.9 3.9%	\$ 408.8 9.0%	\$ 36.7 0.8%	\$ - 0.0%	\$ 1,037.8 22.8%
Contracted Services	13.8 0.3%	50.8 1.1%	15.3 0.3%	16.3 0.4%	0.6 0.0%	- 0.0%	96.8 2.1%
Other State Operations	41.2 0.9%	50.8 1.1%	31.4 0.7%	59.3 1.3%	10.5 0.2%	- 0.0%	193.2 4.2%
Aid to Local Units of Government	211.3 4.6%	- 0.0%	1,269.3 27.9%	- 0.0%	- 0.0%	- 0.0%	1,480.6 32.5%
Assistance, Grants, & Benefits	41.1 0.9%	1,352.4 29.7%	62.8 1.4%	27.4 0.6%	0.9 0.0%	- 0.0%	1,484.6 32.6%
Capital	1.8 0.0%	1.1 0.0%	0.5 0.0%	1.9 0.0%	0.3 0.0%	- 0.0%	5.5 0.1%
Debt Service	145.4 3.2%	- 0.0%	38.1 0.8%	- 0.0%	- 0.0%	- 0.0%	183.6 4.0%
Operating Transfers	68.8 1.5%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	68.8 1.5%
Total	\$ 669.1 14.7%	\$ 1,723.8 37.9%	\$ 1,595.3 35.1%	\$ 513.5 11.3%	\$ 49.0 1.1%	\$ - 0.0%	\$ 4,550.8 100.0%

FY 2022 Change to Enacted	General Government	Human Services	Education	Public Safety	Natural Resources	Trans- portation	Total
Salaries & Benefits	\$ 6.4 1.6%	\$ 56.1 14.1%	\$ 5.9 1.5%	\$ 115.4 29.0%	\$ 3.1 0.8%	\$ - 0.0%	\$ 187.0 47.0%
Contracted Services	2.0 0.5%	(10.6) -2.7%	2.9 0.7%	(1.0) -0.2%	0.1 0.0%	- 0.0%	(6.6) -1.6%
Other State Operations	(22.2) -5.6%	(73.2) -18.4%	12.6 3.2%	1.4 0.4%	(0.1) 0.0%	- 0.0%	(81.4) -20.5%
Aid to Local Units of Government	138.4 34.8%	- 0.0%	43.6 11.0%	- 0.0%	- 0.0%	- 0.0%	182.0 45.8%
Assistance, Grants, & Benefits	26.1 6.6%	137.2 34.5%	6.9 1.7%	14.8 3.7%	0.2 0.0%	- 0.0%	185.2 46.6%
Capital	(0.1) 0.0%	0.3 0.1%	0.1 0.0%	0.5 0.1%	0.3 0.1%	- 0.0%	1.1 0.3%
Debt Service	(10.6) -2.7%	- 0.0%	(1.6) -0.4%	- 0.0%	- 0.0%	- 0.0%	(12.2) -3.1%
Operating Transfers	(57.5) -14.5%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	- 0.0%	(57.5) -14.5%
Total	\$ 82.6 20.8%	\$ 109.9 27.6%	\$ 70.2 17.7%	\$ 131.1 33.0%	\$ 3.6 0.9%	\$ - 0.0%	\$ 397.5 100.0%